



IRAQ Status Report

U.S. DEPARTMENT OF STATE
Bureau of Near Eastern Affairs
Iraq Policy & Operations Group

A BIWEEKLY REVIEW OF DEVELOPMENTS IN IRAQ

UNCLASSIFIED

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Politics and Diplomacy

Camp Ashraf Update: The situation at Ashraf remains peaceful but tense following the incursion of the Iraqi Army on April 8. Prime Minister Maliki has stated the residents of Ashraf, who have no legal status in Iraq, must depart Iraq by the end of the year. In an effort to prevent further violence, the U.S. has proposed the temporary relocation of all the residents of Ashraf to a location in Iraq further from the Iranian border. Rather than forcibly relocating Ashraf residents, the U.S. proposal asks for support for relocation from Ashraf's leaders. This relocation would be temporary, as a prelude to eventual resettlement of Ashraf residents in third countries. The Government of Iraq is studying the U.S. proposal.

In parallel to these efforts, the U.S. is fully engaged with international organizations on possible solutions to the continuing humanitarian situation at Ashraf. The United Nations Assistance Mission for Iraq (UNAMI) is working on a plan to resolve the humanitarian situation at Ashraf via individual registration of Ashraf residents through the UN High Commissioner for Refugees (UNHCR), an effort the U.S. strongly supports. The U.S. has also consulted with other key organizations to seek their thoughts on a long-term solution to Ashraf that prevents further violence and bloodshed. (NEA-I-POL)

Arab League Summit Delayed Until 2012: The Arab League summit due to be held in Baghdad this month has been postponed until March 2012, Arab League Acting Chief and Iraqi Foreign Minister Hoshyar Zebari announced May 5th. "It has been decided to postpone the Baghdad summit until March 2012 at the request of the Republic of Iraq which will retain the right to host the (next) summit," the League said in a public statement after talks between Zebari

and Secretary General Amr Mussa. The decision "takes account of current events in several Arab countries," said the statement, adding that the postponement was aimed at ensuring a "heavy presence and representation at high levels." (NEA-I-IPOG; [AFP](#))

Pelosi Leads Congressional Delegation to Iraq: House Minority Leader Nancy Pelosi led a nine-member Congressional delegation on a visit to Iraq on May 7. Accompanied by Ambassador James Jeffrey, the delegation met with Prime Minister Nuri al-Maliki to discuss the drawdown of U.S. Forces in Iraq. Visiting lawmakers also met with the Iraqi Christian community and with members of the Council of Representatives. After the meeting, Prime Minister Maliki issued a statement calling for stronger bilateral cooperation between the U.S. and Iraq under the Strategic Framework Agreement^{*}. (NEA-I-IPOG)

Baghdad Provincial Council Seeks to Address Constituent Concerns: Since Iraqis took to the streets on February 25, government officials in Baghdad have taken positive steps in improving communication with constituents, and have implemented projects to enhance economic opportunities in Baghdad. Provincial Council (PC) members in Baghdad have been working with essential services Directors General and local councils in order to improve service provisions in the city. PC members continue to convey their constituents' concerns to the Governor of Baghdad, Salah Abd al-Razaq, and are working in coordination with the Governor to implement reforms. On April 20, Governor Razaq announced that the Governorate would begin spending approximately \$14.5 million for urgent projects in Baghdad in direct response to residents' demands. Additionally, PC members are in ongoing discussions with the Iraqi High Electoral Commission regarding the holding of local elections. (NEA-I-IPOG, U.S. Embassy Baghdad)

Economic Activity

Iraq's Oil Export Revenue At Record High This Year: The Director General of the State Oil Marketing Organization (SOMO) Falah Al-Amri announced that Iraq's oil revenues for April 2011 are expected to reach \$7.4 billion, marking the country's highest such monthly figure since 2003. Despite total exports decreasing 0.8% since March, rising oil prices helped to raise revenue figures. It is estimated that Iraq's crude oil sold at about \$110/barrel. Iraq exported an average of 2.141 million barrels per day (bpd) in April, with 1.656 million bpd being shipped from the two offshore oil terminals in the Gulf with the remainder of crude oil being transported from the Iraq-Turkey Pipeline. SOMO reports that two-thirds of Iraq's total exports in April went to Asian customers. Once the \$7.4 billion figure is confirmed, Iraq's total revenues over the first four months of 2011 will sum up to approximately \$26.7 billion. ([Gulf News](#))

Iraqi Women Ready for Larger Microfinance Loans: Ambassador Peter W. Bodde, Assistant Chief of Mission for Assistance Transition and Coordinator for Women's Issues at Embassy Baghdad, met with several beneficiaries and administrators of a USAID-sponsored microfinance initiative in Baghdad on May 2, during a "Women in Microfinance" roundtable. Ambassador Bodde used the forum to discuss the opportunities and challenges presented to the women through the program. The program is designed in part to provide opportunities to Iraq's widows,

^{*} Full text of the SFA is available at: http://fhp.osd.mil/intlhealth/pdfs/strategic_framework_agreement.pdf

many of whom are the heads of their households, and internally displaced persons, who often have trouble finding work upon relocation.

During the roundtable, the women explained to Ambassador Bodde their obligations to their homes, which sometimes interfere with their abilities to manage their loans, and their discomfort when interacting with male staff at the microfinance institutions (MFIs) through which they have acquired the loans. Ambassador Bodde mentioned the possibility of the women pursuing group loans to give the women more flexibility to attend to their schedules at home, and also the creation of women-only departments at MFIs to work with more conservative clients. In a testament to the value of the program, two women also expressed interest in acquiring loans larger than program limits to expand their businesses.

USAID administers its microloans through local MFIs, each of whom have their own lending limits and requirements separate from USAID standards. USAID also has a parallel lending program with commercial banks that helps eligible small and medium-sized Iraqi enterprises to acquire loans ranging from \$5,000 to \$250,000. Furthermore, the U.S. Government supports Iraq's widows through a \$10 million allocation in development and assistance programs. Ambassador Bodde pledged to roundtable participants that he and Embassy staff would continue to make improvements to the microfinance program and other assistance efforts based on their suggestions. (NEA-I-IPOG; U.S. Embassy Baghdad)

Iraqi Agricultural Professionals Study Modern Methods Through USDA Fellowship

Program: A group of ten Iraqi scientists, researchers, and professors specializing in soil studies traveled to Lincoln, Nebraska's National Soil Survey Center to take part in a ten-day workshop from April 18-29. The workshop, which combined a mix of classroom, laboratory, and outdoor trainings, exposed participants to advancements in soil techniques and technologies that eluded them after years of international sanctions and isolation. A strong agricultural sector is particularly important to Iraq, as USAID estimates that a one-percentage point increase in agricultural GDP could produce an additional 55,000 jobs in the Iraqi economy on top of the 15% of Iraq's working population that already have jobs in agriculture. A significant number of Iraqi families are still food-insecure, a point not lost on workshop participants. "This is very good for us," commented Abdul Jabber Challob Hasan, a faculty member at the University of Basra. "We need new information to make our soil better and more productive. That is very important to the future of our country." Hasan and his peers who traveled to Nebraska are all graduates of universities in the United States or Europe. They visited the National Soil Survey Center under the auspices of the Cochran Fellowship Program, a program sponsored by the United States Department of Agriculture's Foreign Agricultural Service that seeks to strengthen the agricultural systems of emerging market economies. ([Lincoln Journal Star](#); NEA-I-IPOG)

Security, High Costs Hamper Iraq Telecoms Growth: Given Iraq's proximity to both European and Asian markets, telecom analysts predict that Iraq will become an important communications hub in the future. However, Iraq's telecom sector is currently hindered by poor infrastructure, high operating costs, and unclear operational boundaries between the government's two major telecom bodies, the Iraqi Telecommunications and Post Company (ITPC) and the Iraqi Communications and Media Commission (CMC).

Prior to 2003, Iraq did not have a mobile phone market. Since that time, an estimated 23 million Iraqis have subscribed to mobile phone services, while 1.2 million homes and businesses have access to a landline. Internet penetration remains lagging at only 3% according to the Minister of Communications, who intends to boost fixed-line phone and internet usage by 25% over the next five years via \$3 billion in development projects.

Despite the government's commitment to improving the telecom sector, telecom companies operating in Iraq complain of military jamming of mobile phone frequencies and high operating costs, on top of poor data delivery. Companies pay \$700 per megabyte to operate local circuits, as compared to \$50-\$80 per megabyte in the United States and Europe. Security remains another pivotal issue, as repairs to mobile phone and internet infrastructure damaged during attacks are both costly and time consuming.

Furthermore, companies find themselves caught between the ITPC and the CMC. "The lack is the law. There is no clear definition between our roles," commented ITPC Director General Kassim Al-Hassani. While the CMC was created in 2004 to serve as an information and communications technology regulator, its function has yet to be ratified under law. The ITPC is meant to serve as an operator and control Iraq's fiber optic network, though without clear laws in place, these roles often become blurred.

The U.S. government continues to work with the ITPC, CMC, and the Ministry of Communications to improve the quality of technology services delivered to Iraqis, as well as provide guidance on enhancing the CMC's role as an independent telecom regulator. Information technology plays a key role in many aspects of Iraq's development by providing people greater access to educational materials, media, and expanded means of pursuing business and trade opportunities. ([Reuters](#); NEA-I-IPOG)

Provincial Highlights

Iraq's National Youth Orchestra: In 2008, Iraqi teenager Zuhail Sultan founded the National Youth Orchestra of Iraq from her home in Baghdad. She used social media to reach out to fellow musicians and even then-Deputy Prime Minister Barham Salih, who gave her a grant of \$50,000 to begin the Orchestra after their Twitter correspondence and eventual meeting. Today, the orchestra brings together 44 Iraqi musicians from Baghdad, Erbil, Kirkuk, and elsewhere in Iraq who are mostly between the ages of 18 and 25, and who represent Arab and Kurdish ethnicity equally. The musicians were selected by their audition pieces that were posted to YouTube and reviewed by their director, Scottish-born Paul MacAldin, from his home in Germany.

Aside from producing music, Sultan notes the powerful affect of the orchestra on these young musicians and Iraqi morale in general. "The experience ... deeply affects the psychological well-being of the musicians, especially in Iraq," in addition to providing the world a positive view of Iraq's youth. MacAldin echoed her sentiments, saying: "The news about Iraq should not just be about blood, bullets and bombs. Middle-class Iraqis are doing their best to get on with their life on a daily basis. This orchestra is for them and by them. We're seeing a part of a better side of Iraq than what we've seen in the past 30 years. Who knows what the feedback effect will be?"

The National Youth Orchestra of Iraq received financial support from the British Council during its founding, and it now benefits from a grant of £100,000 from the Weir Group. This provides training provisions and instrument repairs for the group, as well as a base for lodging and travel expenses for the orchestra during performances.

MacAldin has arranged for the orchestra to perform at the 2011 Beethoven Festival in Germany and the 2012 Edinburgh Festival in Scotland. He has also played a part in bringing the Cologne Opera to Suleimaniya, marking the first time that a professional orchestra and opera will ever perform in Iraq. (NEA-I-IPOG; Knowledge@Wharton)

Iraq Concludes First Book Fair in 20 Years: The Baghdad International Book Fair, the first book fair to be held in Iraq in 20 years, began on April 20 and concluded on May 4. The fair featured the works of more than 200 publishing houses representing 32 countries, as well as cultural, literary, and theatrical performances and activities. The 37,000 books on display were mostly in Arabic, though some English and French titles were also on sale.

The fair was organized by the Ministry of Culture's Cultural Affairs Department and was held in the West Mansour section of Baghdad. This marked the first book fair to be organized by the Iraqi national government, as previous fairs – dating to 1990 and beyond – were organized by private groups or local governments.

Hundreds of Iraqis, including women, took part in the festivities and were eager to express their enthusiasm. One civil servant proclaimed that Iraq is slowly waking up from an “intellectual coma” brought on by years of war and sanctions, while one organizer of the fair, Safira Naji, was proud to announce that “Baghdad has regained its place on the world’s cultural map.” ([Middle East Online](#); [Aswat Al-Iraq](#); NEA-I-IPOG)

Spotlight on PRT Karbala

The Provincial Reconstruction Team (PRT) in Karbala, Iraq completed its mission and closed its doors on May 1, 2011. Operating from 2008 to 2011, the PRT executed 320 projects with a total value of approximately \$44 million. In accordance with the Strategic Framework Agreement, the PRT focused on education, agriculture, electricity, health, rule of law, civil society, and governance capacity development.

The PRT worked to expose Karbala's farmers to new technologies and crops to help them compete in the global marketplace. As a result of their efforts, windmills now power remote desert farms; livestock forage on Bermuda grass, which is resistant to Karbala's acidic soil and 130 degree temperatures; and farmers now conserve water with drip- and center-pivot irrigation. The invigorated agriculture sector has the added bonus of keeping thousands of military-age males fully employed. Additionally, PRT Karbala taught beekeeping skills and provided equipment to more than 600 widows and other socially-excluded women. The honey produced often brings in as much as \$30 per jar.

PRT Karbala also helped organize the private sector so that it could more effectively advocate for its own interests to the provincial government. They stood up the Karbala Business Development Center and Investment Counseling Center (ICC) to teach modern business skills, including English and accounting, and to attract investment from throughout the Middle East. Foreign Direct Investment from countries such as Turkey, Lebanon, and Kuwait -- much of which was channeled through the ICC -- helps to balance heavy investment from Iran.

The province also benefitted from PRT Karbala's vital use of the U.S. military's Commander's Emergency Response Program (CERP) funds. Using these funds, they built schools, a courthouse, health clinics, and a construction materials testing facility. The Governor of Karbala praised the schools for the immediate benefit they provided to the province's children, and for revolutionizing the province's approach to school design. PRT Karbala also used CERP to fund eight Good Neighbor Initiatives in their immediate community. These short-term, high-impact projects, such as school, firehouse, and youth center renovations, won hearts and minds in the province.

Because some in Karbala are sympathetic to Iran or anti-American Shi'a radicals, the PRT made reaching out directly to the people via the media a priority. In all, PRT Karbala garnered media coverage for more than 30 of their events, ensuring that the people of Karbala were well informed about the USG's good works. Although the PRT's work is now finished, its legacy in Karbala province will live on. (NEA-I-PRT/T, U.S. Embassy Baghdad).

Government Organization Chart

*** Note: Updated May 12, Vice Presidents**



Ministries

Agriculture	Communications	Culture	Defense	Displacement & Migration	Education	Electricity
Izz al-Din al-Dawlah	Muhammad Allawi	Sadun al-Dulaymi	Nuri Kamal al-Maliki (Acting)	Dinader Najman Sharif Doski	Muhammad Khalaf Tamim al-Jaburi	Ra'ad Shalla al-Arifi
Environment	Finance	Foreign Affairs	Health	Higher Education and Scientific Research	Minister of Housing & Construction	Human Rights
Sargon Lazar Sulayman	Rafi al-Issawi	Hoshiyar Zebari	Majid Hamad Amin Jamil	Ali al-Adb	Muhammad Sahib al-Daraji	Muhammed Shia al-Sudani
Industry & Minerals	Interior	Justice	Labor & Social Affairs	Municipalities & Public Works	Minister of Oil	Minister of Planning
Ahmad Nasir Dhi al-Karbuhl	Nuri Kamal al-Maliki (Acting)	Hasan al-Shammari	Nasir al-Rubai	Adil Mhoubir Rathi Mahoud al-Maliki	Abd al-Karim al-Layubi	Ali Yousif Abd al-Nabi
Minister of Science & Technology	Minister of Trade	Minister of Transportation	Minister of Water Resources	Minister of Youth & Sports		
Abd al-Karim al-Samarrai	Khairallah Hassan Babikir	Hadi al-Amiri	Mohamed Salman al-Sa'idi	Jasim Muhammad Jafar		

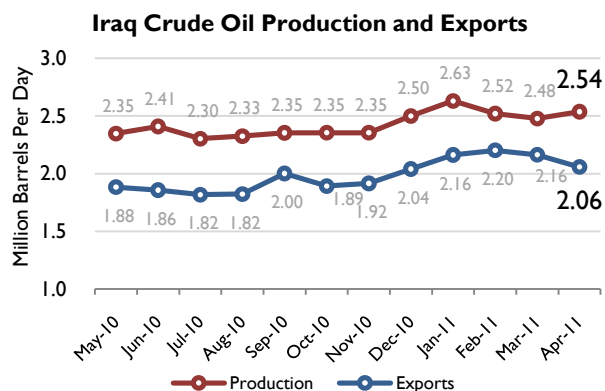
Ministries of State

Civil Society Affairs	Foreign Affairs	Government Spokesman	National Reconciliation	National Security	Parliamentary Affairs	Coalition
Dakheel Qasim Hassoun	Ali al-Sajri	Ali al-Dabbagh	Amir al-Khuzai	Nuri Kamal al-Maliki (Acting)	Safa' al-Din al-Safi	State of Law
Provincial Affairs	Tribal Affairs	Tourism and Antiquities	Without Portfolio	Without Portfolio	Without Portfolio	Iraqiya
Turban Mudhir al-Muthi	Jamal Abd al-Mahdi al-Barthi	Livra al-Sumayyim	Salah Muzahim Darwish	Bushra Huseyn Salih Ali Zwarani (F)	Diya Najim al-Asadi	Iraqi National Alliance
Without Portfolio	Without Portfolio	Without Portfolio	Without Portfolio	Without Portfolio	Without Portfolio	Kurdish Alliance
Abd al-Mahdi Hassan Muteyri	Yasim Hassan Muhammad	Hassan al-Sari	Abd al-Sabih Qahrman	Women's Affairs	Erbil al-Zaidi	Other

Current Economic Indicators

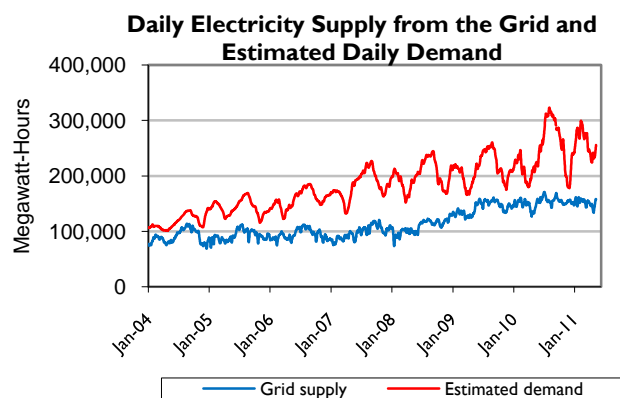
Crude Oil Average Closing Prices (April 25 – May 6)

Basrah Light \$116.79/bbl || Dated Brent \$121.14/bbl || WTI Cushing \$109.44/bbl || Oman/Dubai \$116.18/bbl



2010 Oil Revenue: \$51.4 Billion (est)

2011 Oil Revenue: \$22 Billion (est)



Supply of electricity from the grid May 4-10 was 10% above 2010 and met 62% of estimated demand compared with 67% for the year-earlier period.

Source: Department of State, NEA/I Economics Section, NEA-I-ECON-DL@state.gov

Other Headlines

Flights between Istanbul and Basrah to Start This Month (May 4, [Kurdistan News Agency](#))

Malaysian Embassy in Iraq to Reopen (May 3, [Bernama](#))

Baghdad - Aleppo Railway Completed (May 2, [Kurdistan News Agency](#))

For additional information, please see:

- **Department of State, Iraq Status Reports**
<http://www.state.gov/p/nea/rls/rpt/c28010.htm>
- **Department of State, Section 1227 Report on Iraq**
<http://2001-2009.state.gov/p/nea/rls/rpt/>
- **Department of Defense, Section 9010 Measuring Stability and Security in Iraq**
http://www.defenselink.mil/home/features/Iraq_Reports/index.html
- **Central Intelligence Agency, World Factbook**
<https://www.cia.gov/library/publications/the-world-factbook/geos/iz.html>

Please forward all questions and/or comments to:
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